

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: GTE MIDWEST INCORPORATED AND IOWA TELECOMMUNICATIONS SERVICES INC.	DOCKET NO. SPU-99-29
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**ORDER DOCKETING APPLICATION, GRANTING PETITION TO INTERVENE,
EXTENDING REVIEW PERIOD, SETTING PROCEDURAL SCHEDULE, AND
SHORTENING TIME FOR RESPONDING TO MOTIONS**

(Issued December 1, 1999)

On October 20, 1999, GTE Midwest Incorporated (GTE) and Iowa Telecommunications Services Inc. (ITS) (collectively, the Applicants) filed a joint application with the Utilities Board (Board) for approval of reorganization, discontinuance of service, and transfer of certificates, pursuant to IOWA CODE §§ 476.77, 476.20, and 476.29 (1999). The Board will docket the joint application as Docket No. SPU-99-29.

On October 28, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an answer and a motion to extend the 90-day review period by an additional 90 days, pursuant to IOWA CODE § 476.77(2). Consumer Advocate argues that good cause exists for the requested extension because the proposed sale of exchanges presents numerous issues that do not arise in a traditional merger, such as the issue of the treatment of the gain by GTE,

GTE's proposed retention of deferred taxes, and the possible impact of the sale on quality of service and local exchange competition.

On November 1, 1999, AT&T Communications of the Midwest, Inc. (AT&T), filed a petition to intervene. AT&T states that, as a purchaser of services from GTE, AT&T will be directly and substantially affected by this application. AT&T requests that the Board set the application for hearing and reject the application as contrary to the public interest until such time as the interests of AT&T and its customers are adequately protected.

On November 10, 1999, AT&T filed a joinder in Consumer Advocate's motion for extension of time, while on the same date the Applicants filed a resistance to the motion. Applicants argue that at least one other case involving a sale of telephone exchanges was processed by the Board within 90 days, that any ratemaking issues are beyond the scope of this docket, and that all other issues can be addressed within the original 90-day period.

The Board will grant AT&T's petition to intervene, set the application for hearing, extend the review period by 90 days, and set a procedural schedule for this docket. The Board finds that Consumer Advocate has shown good cause for extending the deadline for acting on the application by an additional 90 days, for the reasons stated in Consumer Advocate's motion.

The Board also finds that the limited time available for this proceeding, pursuant to IOWA CODE § 476.77, means that certain other time periods should be

shortened. Specifically, the 14-day period for responding to motions, set forth in IOWA ADMIN. CODE 199-7.7(11) (1999), is impractical in this proceeding. The Board will order that responses to all motions must be filed within five days of the date the motion is filed. In order to accommodate that abbreviated time frame, parties are directed to serve all motions by facsimile transfer or electronic mail, as well as by United States mail, on or before the date of filing.

IT IS THEREFORE ORDERED:

1. The joint application filed on October 20, 1999, by GTE Midwest Incorporated and Iowa Telecommunications Services Inc. is docketed for Board review, pursuant to IOWA CODE §§ 476.77, 476.20, and 476.29 (1999), as Docket No. SPU-99-29.
2. The petition to intervene filed in this docket on November 1, 1999, by AT&T is granted.
3. Pursuant to IOWA CODE § 476.77(2), the Board finds that the deadline for acting on the application should be extended by an additional 90 days.
4. The following procedural schedule is established for this proceeding:
 - a. Consumer Advocate and any intervenors shall file any prepared direct testimony, with supporting exhibits and workpapers, on or before January 5, 2000.
 - b. Applicants shall file any rebuttal testimony, with supporting exhibits and workpapers, on or before January 18, 2000.

c. A hearing for the purpose of receiving testimony and cross-examination of all testimony will commence at 10 am on February 8, 2000, in the Board's hearing room at 350 East Maple Street, Des Moines, Iowa. Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 to request that appropriate arrangements be made.

d. Any party desiring to file an initial brief may do so on or before February 18, 2000.

e. Any party filing an initial brief may file a reply brief, responding to the arguments raised in any other party's initial brief, on or before February 25, 2000.

f. The 180-day deadline for acting on the joint application is April 18, 2000.

5. In the absence of objection, all workpapers shall become a part of the evidentiary record at the time the related testimony and exhibits are entered in the record.

6. In the absence of objection, all data requests and responses referred to in oral testimony or cross-examination which have not previously been filed with the Board shall become a part of the evidentiary record. The party making

reference to the data request or response shall file an original and six copies at the earliest possible time.

7. In the absence of objection, if the Board calls for further evidence on any issue and that evidence is filed after the close of hearing, the evidentiary record shall be reopened and the evidence will become a part of the evidentiary record five days after filing. All evidence filed pursuant to this paragraph shall be filed no later than seven days after the close of hearing.

8. Pursuant to IOWA ADMIN. CODE 199-7.7(11), the deadline for filing responses to motions will be no later than five days from the date the motion is filed. All motions should be served on all other parties, and on all persons who have filed a petition to intervene that has not yet been ruled upon, by facsimile transfer or by electronic mail as well as by United States mail, on or before the date of filing.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 1st day of December, 1999.